

## Program Design & Implementation Meeting Notes

January 24, 2012 @ 9:00 – 11:30

**Special Note:** The workgroup was all in favor of Sharon Theroux being the new Co-Chair of the Program Design & Implementation Workgroup.

### Multi-Year EO Programs:

- There was a House meeting last week and Rob has heard that some ESCOs (Energy Service Companies) are unhappy with the C & I programs; most notably they believe the EO programs make it very difficult to get rebates for multi-year EO projects.
- Major retrofits take several years to accomplish and it doesn't work well for rebates that need to be approved and paid within 1 year.
- To resolve this issue we probably do not need legislation.
- Sam Flannery (Building Science Academy) is going to check into other states that are doing multi-year programs with rebates and how they are making it work.
- The C & I Program has a lot of potential for energy savings so we really need to address the issues that the ESCOs have.
- Sam Flannery stated that banks in other states are starting to require an energy analysis of commercial buildings before giving financing to make sure the owners are aware of the energy issues and properly assess the utility costs.
- Emmett Romine (DTE) stated that they really like Sterling Planet's option of paying rebates to customers slowly over time (for example 3 years) as savings are achieved by the project.
- Technical Workgroup to further discuss C & I multi-year project Issues:
  - Michigan Public Service Commission staff, Sam Flannery (BSA), Janet Hanneman (CLEAResult), Mark Allen (KEMA), Fred Alatalo (CE), Jennifer Binkley-Power (Franklin), Rebecca Stanfield (NRDC), Emmett Romine (DTE), Art Thayer (MECA)

### MECA Settlement Agreement:

- The settlement agreement only said "cooperatives" not making note of the municipalities in the MECA EO Collaborative. Rob and Art will work on addressing this issue.
- MECA EO Collaborative settlement agreement can be found here:  
<http://efile.mpsc.state.mi.us/efile/docs/16687/0018.pdf>
- Regarding carrying forward excess savings, PA 295 is silent on gas EO credits – however staff addressed this in their EO rules and proposed a 5 year unlimited carry forward.

- Holland Board of Public Works: For the smaller utilities, the 1/3 carry forward restriction can lead to successful programs being shut down, which hurts their customers' view of the programs because it looks like they are only trying to meet the minimum statutory requirements instead of trying to achieve maximum energy efficiency.

#### Proposed Calendar/Schedule:

- February: The workgroup agreed to discuss low income funding reductions to the weatherization assistance program. Several community action agencies may have to restructure due to the drop in funding. This year there is only 65 million dollars available nationwide when last year it was about this much per state. Perhaps the Coalition to Keep Michigan Warm or MCAAA could come to the February meeting to discuss this issue.
- March: The workgroup agreed to move power factor and peak reduction issues to the March meeting. Materials on this subject will be sent out 2 weeks prior to the meeting.
  - The most recent MPSC EO report wanted the EO Collaborative to address power factor issues. As federal standards change and savings are harder to achieve the Commission needs to look at all options for EO programs.
  - The MPSC EO report also wanted the EO Collaborative to address a multiplier for a peak demand program.
- April: Rob Kelter from the ELPC will make a presentation on lighting/LIEEF.
- June: The workgroup agreed to look at the self-direct forms and instructions and make any needed changes.
- The workgroup agreed to move the fuel switching issue up, as it is currently slotted for November. Rob will address the workgroup when his fuel switching white paper is complete.

#### Utility Updates:

- MECA has a new implementation contractor – it is now Wisconsin Energy Corp/Michigan Energy Options, whereas previously it was CLEAResult/Franklin.
- The Lansing Board of Water and Light has also hired a new residential contractor, also Wisconsin Energy Corp/Michigan Energy Options, and kept CLEAResult/Franklin for their C & I program.

#### Technical Subcommittees of the D & I Workgroup:

- C & I Multi-year Program Issues
  - Participants: MPSC Staff, Sam Flannery (BSA), Janet Hanneman (CLEAResult), Mark Allen (KEMA), Fred Alatalo (CE), Jennifer Binkley-Power (Franklin), Rebecca Stanfield (NRDC), Emmett Romine (DTE), Art Thayer (MECA)

- MEMD (will circulate a sign-up at next month's meeting)
- Power Factor/Peak Demand Multiplier (will circulate a sign-up at next month's meeting)

Miscellaneous:

- All presentations/agendas/notes will be on the MPSC EO Collaborative website.  
[http://www.michigan.gov/mpsc/0,4639,7-159-52495\\_53750---,00.html](http://www.michigan.gov/mpsc/0,4639,7-159-52495_53750---,00.html)
- The workgroup would like regular updates from utilities on how their programs are progressing and updates on pilots, perhaps on a quarterly basis.